



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 4  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET  
ATLANTA, GEORGIA 30303-8960

June 5, 2009

John S. Lyons, Director  
Department for Environmental Protection  
Kentucky Natural Resources and  
Environmental Protection Cabinet  
200 Fair Oaks Lane, First Floor  
Frankfort, Kentucky 40601

Dear Mr. Lyons:

The United States Environmental Protection Agency (EPA) has reviewed the proposed title V operating permit for Louisville Gas & Electric (LG&E) Company's Trimble County Generating Station (V-08-001) located in Bedford (Trimble County), Kentucky. Based on the review of the proposed permit and the supporting information for this facility, EPA formally objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 CFR 70.8(c), to the issuance of the title V permit for this facility.

Section 505(b)(1) of the Act and 40 CFR 70.8(c) require EPA to object to the issuance of a proposed permit amendment in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or 40 CFR Part 70. Pursuant to 40 CFR 70.8(c), this letter provides a statement of the reason(s) for EPA's objection and a description of the terms and conditions that the permit must include to respond to the objection.

Specifically, the following items are deficient in the proposed title V permit for LG&E – Trimble County Generating Station:

- 1) On January 7, 2009, EPA's Office of Air and Radiation issued a memorandum regarding the application of Section 112(g) to coal and oil-fired utilities in light of the D.C. Circuit Court of Appeals' vacatur of the Clean Air Act Mercury Rule and EPA's delisting of coal and oil-fired utilities. In the memorandum, EPA explains that, pursuant to the Clean Air Act, Section 112(g) applies to coal and oil-fired electric steam generating units that began actual construction between March 29, 2005, and March 14, 2008. The construction of Unit 31 falls into this category and, thus, is subject to Section 112(g). Therefore, the Kentucky Department of Air Quality must undertake a Section 112(g) analysis for all hazardous air pollutants with respect to Unit 31 in order to comply with all applicable Clean Air Act requirements.

- 2) Condition 2.p. for Unit 31 needs to be rewritten to more accurately reflect what is presented in the statement of basis. More specifically, it must be explicitly stated that the respective short-term limits (which are the equivalent to the best available control technology limits for normal operation) apply at all times, including periods of startup and shutdown. Furthermore, it is believed that the last two sentences of Condition 2.p. (as it is currently written) simply create confusion and should be removed altogether.

40 CFR 70.8(c)(4) and Section 505(c) of the Act provide that if the permitting authority fails to revise and resubmit a proposed permit amendment within 90 days to satisfy the objection, the authority to issue or deny the permit amendment defaults to EPA, and EPA will act accordingly. Because the objection issues must be fully addressed within 90 days, we suggest that the revised permit be submitted with sufficient advance notice so that any outstanding issues may be resolved prior to the expiration of the 90-day period.

We are committed to working with you to resolve the above issues. Please let us know if we may provide assistance to you and your staff. If you have any questions or wish to discuss this further, please contact Gregg Worley, Chief, Air Permitting Section at (404) 562-9141. Should your staff need further assistance, they may also contact Art Hofmeister, Kentucky title V contact, at (404) 562-9115.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol L. Kemker" with a stylized flourish at the end.

Carol L. Kemker  
Acting Director  
Air, Pesticides and Toxics  
Management Division

cc: Marlene Zeckner Pardee, LG&E